




THE CITY OF SAN DIEGO

MEMORANDUM

DATE: February 20, 2019

TO: Honorable Council President Georgette Gómez and Members of the City Council

FROM: Kris Michell, Chief Operating Officer 

SUBJECT: Operational Changes to the Public Utilities Department

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In the summer of 2018, the Mayor directed a comprehensive review of the Public Utilities Department (PUD). Immediately, we dedicated a team to methodically analyze all aspects of water and wastewater operations, with specific attention paid to staffing, organizational structure and key processes.

Our goal from day one has been to ensure staff and procedures are in place that support a customer-focused, mission-driven operation. This memo will update the progress of this review, as well as outline changes made since my last memo, dated August 29, 2018.

I am grateful to Assistant Chief Operating Officer Stacey LoMedico for continuing to lead the review and reform efforts, to Interim PUD Director Matthew Vespi for overseeing daily operations while helping restore stability and confidence in the Department, and to former City Water Department Director Frank Belock for provisionally rejoining the City to provide analysis and observations of the Department's operational functions.

Collectively, this team reached consensus that the Department's current organizational structure does not provide for appropriate managerial oversight to assure efficient decision-making, increased accountability and operational streamlining. Attached is the new PUD organizational structure, as of today, along with the previous organizational chart. Due to these organizational improvements, there will be personnel changes made concurrently.

An Executive Assistant Director has been incorporated into the new management structure to increase oversight of essential Department operations. This position will report directly to the Public Utilities Director and oversee the daily water and wastewater operations through the Department's four branches each overseen by an Assistant Director. The Director will lead the overall policy development for Department operations through engagement with policymakers and regional utility managers; provide leadership to the City's representatives on the San Diego County Water Authority Board and Independent Rates Oversight

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Committee; and oversee specific issues and initiatives such as audit recommendations and the Pure Water program.

The Customer Support Division will now report directly to the Executive Assistant Director. This structural change ensures all operations and issues that may arise will prioritize the needs of our customer. A comprehensive training curriculum focused on customer service and outreach will be implemented as a foundation for elevating our level of service citywide. Further updates to operations will be developed with this type of customer-centric emphasis.

The water meter reading program will be reorganized into the Water Construction and Maintenance Division to better align related functions. This change will improve the speed and distribution of information between meter readers in the field and employees responsible for repairing and installing meters. The reorganization will also benefit the ongoing installation of smart meters, also known as Automated Metering Infrastructure (AMI).

Internal business support functions, specifically the Employee Services and Quality Assurance Division, have been consolidated into one branch with the Finance and Information Technology Division to improve consistency for Department personnel.

These organizational changes will take effect on April 20, 2019. Additional efficiencies and enhancements are being analyzed for inclusion within the Mayor's Proposed FY 2020 budget.

Implementing these changes now, as the permanent PUD Director is identified to lead the Department into the future, establishes necessary, timely transformations we need to ensure ratepayers receive the best possible service. The recruitment process for the Director position closed on February 18, 2019. Submissions from applicants are being reviewed, with the intent to have a final candidate selected by spring.

Lastly, recommendations made by the Office of the City Auditor related to customer billing, customer service, and the water cover replacement program are currently being implemented. PUD management is scheduled to present an update on these efforts to the Audit Committee on March 20, 2019.

The Mayor has directed that all necessary actions be taken to restore confidence in PUD, and we firmly believe the changes described above will make real progress toward that goal. The City employs some of the most dedicated, hard-working people in our region, and we will continue to foster a workplace that values both our employees and our customers. Our efforts are ongoing, and we look forward to continuing to work with you to strengthen our team and our service.

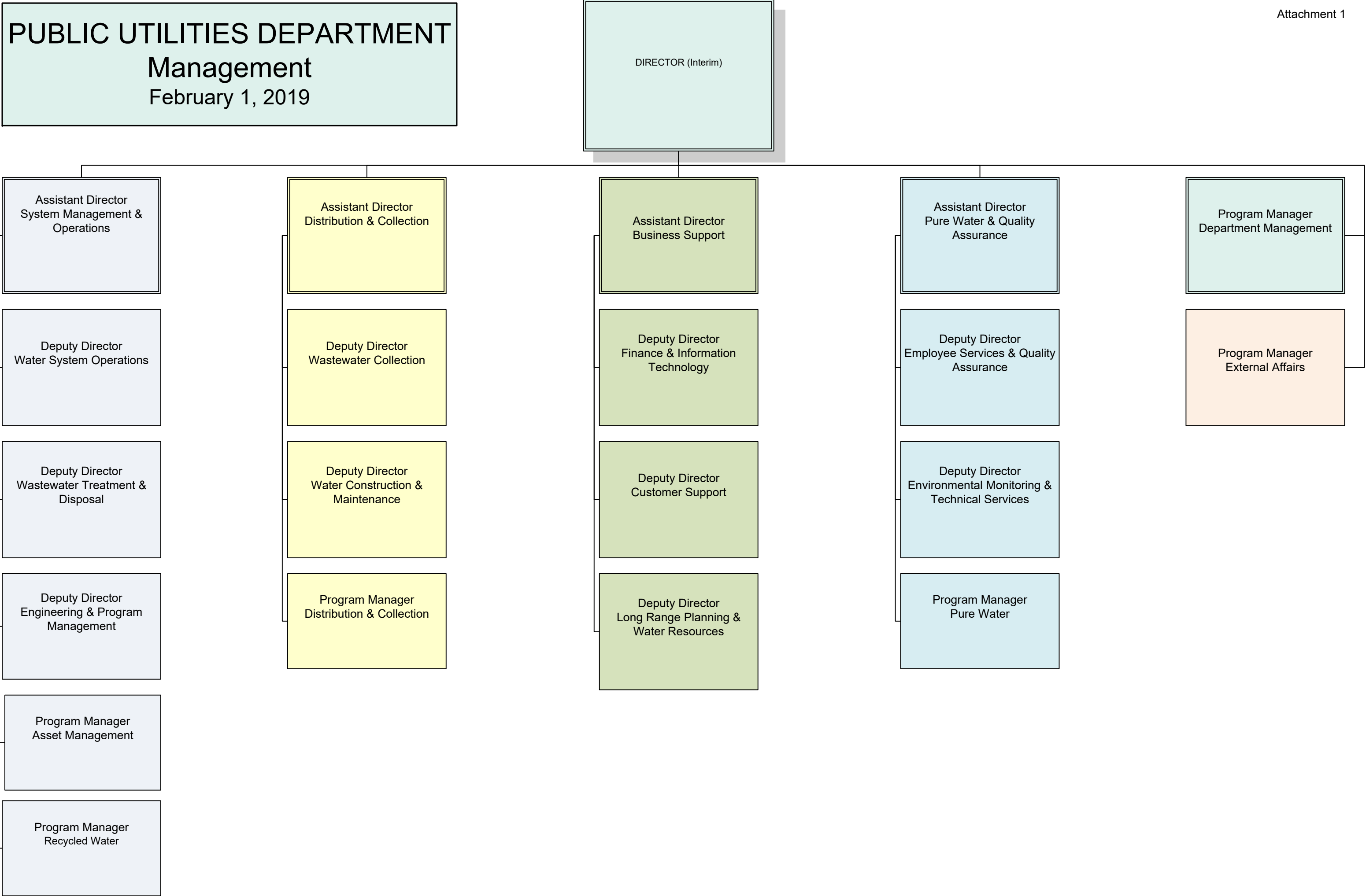
We will keep you updated when new information becomes available.

Attachments: 1. Public Utilities Department – Organizational Chart, Previous  
2. Public Utilities Department – Organizational Chart, New

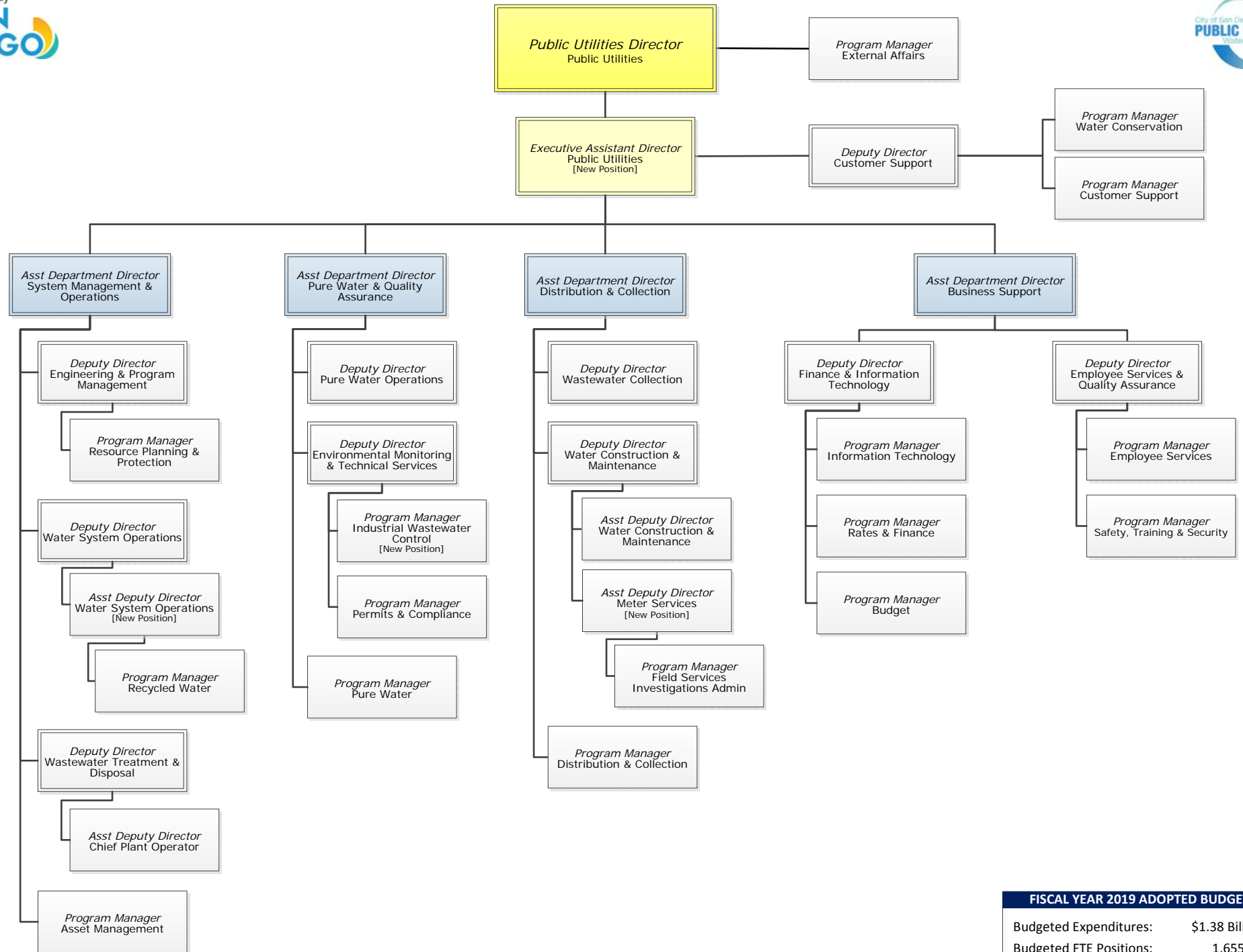
cc: Honorable Mayor Kevin L. Faulconer  
Honorable City Attorney Mara Elliott

Aimee Faucett, Chief of Staff, Office of the Mayor  
Andrea Tevlin, Independent Budget Analyst  
Stacey LoMedico, Assistant Chief Operating Officer  
Ronald H. Villa, Assistant Chief Operating Officer  
Rolando Charvel, Chief Financial Officer  
Erik Caldwell, Deputy Chief Operating Officer, Smart & Sustainable Communities  
Johnnie Perkins, Deputy Chief Operating Officer, Infrastructure & Public Works  
Jeff Sturak, Deputy Chief Operating Officer, Internal Operations  
Robert Vacchi, Deputy Chief Operating Officer, Neighborhood Services  
Matthew Vespi, Interim Public Utilities Director  
Department Directors, Mayoral and Non-Mayoral  
Jessica Lawrence, Director of Finance Policy & Council Affairs, Office of the Mayor

PUBLIC UTILITIES DEPARTMENT  
Management  
February 1, 2019



# SAN DIEGO PUBLIC UTILITIES DEPARTMENT



## FISCAL YEAR 2019 ADOPTED BUDGET

Budgeted Expenditures:	\$1.38 Billion
Budgeted FTE Positions:	1,655.92